

State floats new bid method to stretch I-15 dollars

Winning bid will be based on value, not just price.

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American Fork - Utah's priciest-ever highway project will also be an experiment in value shopping.

As three mega-contracting teams prepare their bids for the \$1.725 billion Interstate 15 job in Utah County, they're laboring under a new set of rules. Instead of competing to give the state the best price for a set project, they'll jockey to provide the most value for a set price.

How they craft their proposals and sway the Utah Transportation Commission will determine how many lanes the freeway gets and whether it stretches from American Fork to Provo or all the way south to Spanish Fork.

State transportation officials say it's an approach that makes sense in tough economic times.

"When your needs exceed your budget, it gives you a chance to stretch your scope as much as you can," Utah Department of Transportation I-15 project director Dal Hawks said.

And Utah's need, in UDOT's estimation, exceeds its budget. Heeding growth projections all the way to the Juab County line, road builders wanted to rebuild and widen the road for 43 miles, from Sandy to Payson. That would have cost more than \$5 billion, though, and the Legislature bonded for just \$1.725 billion.

Instead, UDOT will start the project at American Fork and head south as far as a contractor can build on the cash, but at least as far as Center Street in Provo. The northern part of that stretch currently has four lanes in each direction, and the southern has three.

The project is expected to employ between 1,000 and 2,000 workers at its peak.

The plan is to add two lanes plus some auxiliary lanes running from interchange to interchange, though a contractor could make the case that some sections don't need all of those extras and instead put the money into more miles to the south. Every segment should get some expansion, though.

"If they don't add at least one lane then they can't show that they've added any value in that area," Hawks said.

Built in the 1960s, Utah County's I-15 is both aged and outmoded, UDOT spokeswoman Heather Barnum said.

UDOT counted about 140,000 daily vehicles past the busiest stretches in Utah County during 2007, and projects the number to grow to about 238,000 by 2030.

Missouri was first with so-called "fixed-price/best design" bidding, and reports squeezing \$200 million from cost estimates for an urban St. Louis segment of I-64.

Leaving the project boundaries to the contractor's imagination also allows them to apply techniques they've learned for stretching dollars, said Pete Rahn, director of the Missouri Department of Transportation.

"I saw a totally different approach to construction and construction management," Rahn said.

The St. Louis project was expected to cost \$700 million. The state had just over \$500 million for it. So MoDOT fixed the price there, and ended up getting 98 percent of what it had hoped for with the higher cost estimate, Rahn said.

The winning Utah team may save some money by widening and repaving right on top of existing pavement in a long straight stretch that needs no re-grading from Pleasant Grove to Orem, Hawks said. But they'll also have to straighten Provo's "S" curve over the railroads.

Crews already are building the first link in the I-15 project: a diverging-diamond interchange at the new Pioneer Crossing corridor at American Fork and Lehi. It's \$130 million and is another first for

Utah, minimizing the number of traffic movements by requiring motorists to cross to the left side of the road before entering the freeway.

The contracting teams -- Flatiron-Skanska-Zachry, Provo River Constructors and Timpanogos Transportation Constructors -- will bid on the rest by November, and the state will award the contract in December. Construction starts next spring and ends in 2014.

The bidders:

- **Flatiron-Skanska-Zachry** includes the namesake lead companies Flatiron Constructors, Skanska USA and Zachry Construction, plus CH2M Hill and nine others.
- **Provo River Constructors** includes Fluor Enterprises, Ames Construction, Ralph L. Wadsworth Construction and six others.
- **Timpanogos Transportation Constructors** includes Kiewit Western, Granite Construction, W.W. Clyde & Co., plus eight others.